

STATE OF NORTH CAROLINA  
RALEIGH, NORTH CAROLINA 27601



MINUTES

Joint Legislative Oversight Committee on Information Technology

Thursday, August 2<sup>nd</sup>, 2012

The Joint Legislative Oversight Committee on Information Technology met on August 2<sup>nd</sup>, 2012 in Room 1027 of the Legislative Building at 10:00 am. The following members were present: Senator Andrew Brock, Chair, Senator Bob Atwater, Senator Ralph Hise, Senator Dan Soucek, Representative Marilyn Avila, Representative Larry Bell, Representative Kelly Hastings, Representative Jonathan Jordan, Representative Joe Tolson and Representative George Cleveland. Staff Members: Karlynn O'Shaughnessy, Peter Capriglione, Brenda Carter, Grant Brooks, Larry Yates, Bill Patterson and Janet Black.

Chairman Brock called the meeting to order.

Information Technology Requirements for Department of Health and Human Service Space Consolidation

- Anne Bander, Chief Operating Officer, Department of Administration
- Terry Hatcher, Director of Property and Construction Division, Department of Health and Human Services
- Micky Verma, Deputy Chief State Chief Information Officer

The three presenters followed the slide presentation – Attachment 1.

Questions:

Senator Hise: On slide Page 8 you are showing currently state owned space of 655,838 SF and moving to a new facility with space of 600,000 SF – 650,000 SF - so you are moving predominately from state owned space to a new lease. Overall what spaces are being left vacant and what are your plans for those spaces – particularly those that are state owned? Anne Bander – For some of the state owned spaces that are downtown, for example, like the Albemarle Building – other agencies that are leasing space now will have the opportunity to move into those vacated spaces. Follow-up: Is there a perspective of which areas of DHHS will be under the phasing? – if things are reorganized are we now locked into this one phase moving forward? Terry Hatcher – There are always issues of change, actually within the RFP there is a risk behind each of the phases - which of the divisions will be moved – it matches on the summary about the requirements as well as the 370 page document – we do not know between now and 2014 – we hope that during that period of time if there are other things that change around we will be able to work with them as well. You have got to have a starting point – we know which leases are expiring, again, I cannot say that there won't be some changes. Right now I would

expect with the major areas or groups there will be consistency in that time frame of 2014. Follow-up: We have seen a lot of square footage – what are your projections on costs? – we have seen the slides on reduction of travel – energy efficiency – ultimately what savings are we looking at moving to this type of space? – I know we do not have the bid in yet but you have to have some idea that it is going to be a saving to the state? Terry Hatcher – I wish I could give you a more specific and detailed answer but you did hit a key point – because the proposal has the option of existing space and added buildings those costs are going to vary quite a bit and of course the IT functions being handled in the data center - so there are a lot of variables right now that we are still trying to get a handle on it - we really will not have good information until the RFP - I really cannot give a good answer at this point. It is something obviously that we will have to have at some point because we have got to have it to make the comparison but we are not in a situation at this point where we could make a reasonable assumption.

Representative Avila – In 2008 Governor Easley had in his budget a plan for the Dix Campus – that was about fourth in line after we built two hospitals and a laboratory - has there been an in-depth cost benefit analysis for leased vs build? Terry Hatcher – I will try to address that – at the time it was about \$173.2 million that was approved from the Governor’s Budget but other things were more important at that particular point in time - back to that point – we did go through what we thought would be valuable and what it would cost – to say it would be relevant in today’s market - it probably wouldn’t be relevant. Follow-up: Is that completely off the table we are sitting here with 300 acres of which 25 is considered for DHHS building and we are going to be paying leases now until the end of time and you are going to look at the possibility of building property that does not belong to us and we are not going anywhere? Anne Bander – One of the functions was to put together the average operating costs looking at those kinds of issues – and that is what we will be looking at – back to your question – is this in the state’s best interest and I think that is ultimately the question that has to be answered and at least, if nothing else, we will have a much better insight and information going forward once these bids come back in – in order to make that kind of a recommendation and we will come back with a report to the Legislature as well as our folks. Follow-up: If we do not have current information about costs of money from outside sources or capital costs in 2008 projected to be covered by Federal Funding - How are we the Members or the Council of State and General Government Committee going to know of what the other possibility is to postpone this major project to look forward to a build rather than lease option? – Is that the kind of information we will get later? Anne Bander – I believe that it will be available this is the reason the State Budget Office has been brought in as well as the folks from DHHS - everyone will have an important view of this consolidation.

Senator Andrew Brock – Anne you have talked about this being a 15 year project – but looking at the acceleration of the RFP there are a lot of problems with it – that is why we are having this meeting in August and not in September because of the issues that came up in the Data Center which is why it fell under the IT Oversight Committee – you went out and were going to build a new Data Center without even looking at what we already had with our Eastern and Western Data Centers – we looked at the acceleration of the process – an RFP was released – a second RFP was release on July 25<sup>th</sup> when it came to our attention about the second Data Center – now we are looking at getting into long term leases – We have had 15 years to talk about this and all of a sudden with the acceleration of this plan, with numerous mistakes, one of which is just in this presentation about the new technology being energy efficient when on page 16 in the RFP is not certified for this project – these are some of the questions with the RFP – you have made a lot of missteps and you had to go back and redraft the RFP time and time again – and now here we are looking at getting long term leases that do not expire until 2014 and we do not know what is going to happened with the Affordable Healthcare Act and with the change in administration here in North Carolina – one way or another we are going to have a new Governor – the

questions I have – Can you explain to me with the acceleration of this process, making so many mistakes along the way? – How we got to the point where we are today? Anne Bander – As far as the accelerated process – I would say – going back to expiration of the leases – we looked backwards from that in knowing the evaluation and associations took a far bit of time – we did not want to run short – we needed to get enough lead time for that – as far as getting an RFP in IT spaces, in particular, I am going to let Micky Verma talk about that – some of what we gathered from DHHS was what their existing clients are – the energy efficiency component not requiring it to be certified – if it is an existing facility obviously it is not certified – I think that would be problematic – but what we are asking them to do is to propose what their energy efficiency standards are and how that is going to improve what we currently have. I do not know that there were a lot of mistakes and think that some clarification absolutely had to happen – there were some specialty statements about which there were some questions – if you actually look at the numbers about seventy – five percent of the overall spaces with office type functions of the total amount that is being looked at - of the remaining twenty-five percent a very significant piece of that was archival records storage – again specialty spaces but not unusual specialty spaces – so when we get into the IT spaces that becomes a little more challenging.

Question:

Representative Avila: RFP - Do you have any real options month to month – year to year for reporting or are we just going to hear it on that day? Anne Bander: My guess is that we do have those options but I do not have that information here – we can certainly get that information. Follow-up: So we truly are ‘under the gun’ (inaudible) – Anne Bander: (inaudible).

Micky Verma: Just to comment on what Anne Bander has brought forward – as we work through the process and clarification and more specifications came up that is, when we had further discussions with DHHS and it became very evident to leverage our two Data Centers.

Senator Brock comment: I think that going through the process and the changes that were made eight days ago - I think we are late in the ball game - you have got to have this information before the Council of State and have to make recommendations before their next meeting – also some members that could not be here today may have some questions and I would ask would it be alright to ask the Agencies and have your remarks sent to all members? Anne Bander - Yes.

Public Safety Broadband Wireless Network National Initiative

- P. Allan Sadowski, Information Technology Manager, North Carolina State Highway Patrol, Department of Public Safety

Mr. Sadowski followed the slide presentation – Attachment 2.

Senator Brock: Comment – A few months ago there was an article about this and rural counties – this will have a tremendous effect on the EMS to their ambulance from data connections to local hospitals and it is, kind of interesting, when I got down to the end of the article it was in Rowan County my district – if you go four miles from the Interstate you are in a very rural part of North Carolina – it was interesting, to see where you did have communication issues – so this is a way the ambulance out in a rural area will have a data connection to the local hospital – the hospital will advise to go to that hospital or go to a trauma center – they will have the link to go to a larger hospital.

Questions:

Representative Avila: This sounds like a modern day version of the Interstate Highways Bill – are we going to end up with the same kind of problems? Allan Sadowski – The answer is that there is so much in the open right now – there could be – but what I am saying is I like that metaphor of an interstate system because to use data we have to have electronic highways and this is going to provide highways for mobile – not for offices or buildings the intent out there on the road as well as having the ability if the building loses power – are there going to be issues – yes – the good news is that technology of AT&T, Verizon and Sprint have used – so that we do not have to relearn something new. Follow-up: Currently we send a dollar to Washington for highways and we get seventy cents back – why can't we keep it all here and do our own thing? Allan Sadowski – We can and that is an option. Follow-up: I was wondering if you had a time line prior to February 2013 that \$135 million – where is that money coming from? Allan Sadowski – That is part of the loans that were allowed that the legislation public law says that they can go borrow from the Treasury – there were \$2 Billion for actual design and deployment but the \$135 million that is all fifty states plus Puerto Rico, Virginia Islands, Samoa, Guam, etc., there are probably sixty entities that will split that money. Follow-up: Comment: I have issues with a lot of this I understand the technology – as much as I understand the need for all this stuff – I am very concerned that we are going to get ourselves into a financial pickle for returns that are not going to be worth it in damages – for the state of North Carolina I would prefer that we approach this seriously.

Representative Cleveland: This is a national responder network not just state – this is for every state for data – it is actually a National Network Enterprise – that gives me some concern as to what the Feds are up to. Allan Sadowski – the answer is yes there is a national effort and the details are state by state – they could determine that it could be done regionally – increasingly responders go outside their jurisdiction – we have responders in North Carolina that went down to New Orleans, for instance – how do they communicate when they go there because they are not similar systems – it is the single nationwide system - so that if North Carolina responders go out they can communicate immediately – similarly, if we need help the people that are coming to help us - they are able to communicate with us. Follow-up: We have a statewide system and we have regional systems also – and now we are going to build another system on top of that – we have been going out of state for many years in support of other states and I have yet to have anyone come to me and say we have horrible communications problem – I have not heard that – they showed up and did their assignments and they came home. Allan Sadowski – you are absolutely right – but what I can also say is that public safety culture is get the job done – if I have no communication at all I am still going to go out there and protect our citizens and our communities – what this does is allow a smarter option of how we deliver our support to our communities – so where do we go - the responders will be able to pull up a map, where is the fuel – these are the fuel stops – there will be shelter locations – where are the medical locations – what this is going to do is to allow them to do their work more effectively – but will they still be able to do their job – yes sir. Follow-up: I am following up on Representative Avila's concern – that is really not going to benefit us as a state – it might benefit the Federal Government for a plan that someone has in Washington but I do not see a benefit for the state and as far as the responders they function rather well and I think a lot of money is going to be spent without a lot of compensation.

Senator Hise: We are planning for first responders in rural areas to make sure they have data connections when they are coming out and assisting – our first responders that are coming out now cannot get a radio connection and we are planning for them to get data and we cannot even get frequency release on the radio system so that equipment that we already have will operate – what is the status forward – the way I see it is the Federal Government is going to come in and they are going to spend all this money – they are going to build their network – we can opt out if we want to but we

phony-up twenty percent of the cost to do something similar within the state - What is the state's role - is it just to sit back and watch this occur? - Is it now we need to replace all the equipment our first responders have - What is being asked of us? Allan Sadowski - We have spent many hours talking about some of those - initially we guide the Feds what we believe what North Carolina needs - so what are the priorities for build out - and what are the capabilities and where we need to guide them - we can say fire trucks need this kind of and possibly this kind - now if we did nothing at all - a State could say we are not interested - something will get built but the State would have no input - now the State has a chance to take an active role in guiding - our state is ready - we have got the money and we are building - there are reasons why - but the upshot is if we can influence it - it is to the betterment of our citizens - the sky is the limit on what this can do - it is everything that you have with your wireless today and now it means that responders can use it and other businesses can use it - utilities can use it. Follow-up: If North Carolina opts out even though eighty percent of the money is Federal - is it North Carolina's network? Allan Sadowski - The details are still to be delivered but one of the important factors - if North Carolina decides to 'opt out' - this is not a free system - it is a fee based system - the fees stay within North Carolina, they do not go outside of North Carolina - but there is criteria on that fee structure - those fees would have to - to extend the network, to support the network, and to improve the network - but those fees would stay in North Carolina - 'opt in' - that money leaves the state and some comes back.

Representative Cleveland: If we 'opt in' and the money leaves the state and we need maintenance money - can we say to them we need maintenance money or does it go to the Feds and they divvy it out to other states on a say percentage basis by population basis or some such thing - it sounds to me if we do get involved in this from what you have said we would be better off with the eighty plane because then we control the fees, we control where we want to go within the parameter of the skills? Allan Sadowski - Because there is not enough information now - I am not going to stand here and say I think we should do this based on what I know - because there are a lot of unknowns - but if we 'opt in' the hundred percent would go up - but whatever is built - they have to support - so it means money from other states because they are trying to keep the fee structure the same nationally - so maybe some of that money would come to North Carolina, or Texas or California - so whatever they build they have to support. Now if North Carolina went 'opt out' and we decided to build - that money that we collect would support North Carolina - a little bit has to go across to the Feds because some of the equipment stays at the Federal level. One of the discussions that has caused a lot of concern is ok - Maryland charges their responders .5 dollars and Missouri \$75.00 - somebody is going to scream foul - there are a lot of issues.

Senator Brock: Comment - I know that our Sheriff in Rowan County George Wilhelm went down to Waveland, Mississippi last spring - I think he was one of the first law officials at Katrina - it was questioned when he had GPS put into his cars back then - it was amazing that he was one of the first responders - Mr. Johnson's store was the only way - it did work some of it - we do need to take abundance of precaution and look at the cost of the project and also who has control and also that we do have input on the system beforehand and also be responsible for safety concerns.

#### Information Technology Funding

- Karlynn O'Shaughnessy, Fiscal Research Division, North Carolina General Assembly

Karlynn O'Shaughnessy followed the slide presentation - Attachment 3.

## Questions:

Senator Brock: Comment - Some of our smaller Agencies that came out in The General Government Committee – what they were paying per month per laptop was \$9.00 per month per laptop for a four year lease – so everybody in that Committee was interested in getting that contract – that is one thing we need to do is to make sure we work with the Agencies to work with the budget – to get the Agencies to come together with this committee to work together to make sure we are spending our money correctly for IT - as cost efficient as possible for the tax payer and for North Carolina.

Representative Tolson: Could you get some kind of estimate of what we could save if we cut out some of this duplication? Yes Sir. Senator Brock we heard from different Agencies that they were special – well – everybody is special.

Representative Avila: What other areas could we do enterprise that would split the costs rather than have each individual Agency . Karlynn O'Shaughnessy – One was DHHS that we looked at last year - Case Management - because even with an integrated partner they have multiple case managers and obviously DPI has a requirement for something along those lines – so that would be another area that might be possible to develop or accommodate more than one Agency.

Follow-up: Karlynn O'Shaughnessy – No ma'am because what the legislation directed was that we start with DHHS and that they would Before it went statewide.

Senator Brock: Comment – I know with speaking to a lot of the Agencies at the local level – the ability to combine those Agencies within DHHS would save a tremendous amount of time, money and resources at the local level - talking to people that actually make the wheels go round they are really looking forward to this; because it would help in their efficiency in handling the case management – if we could bring it under one system – one person said it would phase one position and that was a very small office.

## North Carolina General Assembly Tablet Pilot

- Peter Capriglione, Information Systems Division, North Carolina General Assembly

## Tablet Usage Survey – Attachment 4.

We introduced this to leadership to see where we could get the pilot project rolling. We wanted to see where we could better fit technology into the Committees – members had laptops since 2000 – however; not every Committee puts their information on the website – our purpose with this Committee was to get everything electronically and put it on the website – so the Committee Members would have it and also the public – so we could go paperless – that was basically our justification – the scope again was to show that by having laptops or tablets, it would make it easier for everybody to look at information and interact with the presenters - what that did require was that we received the presentations well in advance of the meetings – that did not always work out too well, we got them sometimes at the last minute – but those are some of the idiosyncrasies that we would have to work out if this went to a larger scale – and of course, there are some legal issues that our attorney's thought about and we wrote that in our proposal to leadership – there is what you have to consider – do we meet the letter of the law – then we had our evaluation criteria – covering functionality, cost, durability, ease of use, this covered a number of issues – and we will convey this in our final report to leadership.

We had a survey - please fill this out if you have not – we had ten Androids, ten Motorola, and then Ipads - we were not able to compare - Androids has a few more features than the Apple does and Apple may be easier to use – they basically came out the same – we asked the question do you prefer a laptop or tablet? – a number of folks said laptop – and I think that might be relevant because larger screens, more of a functionality – there is word on the laptop – tablets are not yet there – overall laptops won overall – this got started because Members started buying these tablets and IT was asked to make these available on our General Assembly System – as a result of that during session we developed our Chamber Automations System – Member Dashboard – our staff worked on this for about six months – and for those who used it we have had good feedback – the House went a little further than the Senate – the House had fully electronic co-sponsoring and filing – so the House got rid of their Jacket and just printed a sheet of paper - the print shop is keeping a record of how much was saved – we will have that information for our report – hopefully you took your tablets to the chamber and used the system.

#### Questions:

Senator Hise: I think one of the first things – having used both – the laptops do a lot of what the tablets do not – but the Chamber is probably the only environment we have set up for laptops – in the Committee the laptops are heavy to lug around and make sure your battery is charged – they have a three hour battery life – the functionality that exist for the tablets – I think our committee presentations need to be available electronically – I also have a huge problem with these laptop with the security settings it makes Facebook is almost impossible – our technology at the General Assembly is vastly outdated – I am not opposed to bring your own device – we could open it up and have internet access.

Representative Avila: I liked my tablet – keeping up with the internet and that was great – it seems to me I liked the computer because I have a lot of files and program applications that I could do on the tablet but I had to work around – cumbersome - I have heard there is going to be a new computer coming out later this year that will be more like the tablet – the problem with this technology is we make the decision in September and in November it is obsolete.

Senator Soucek: I used the laptop and tablet – I found the computer was cumbersome when I wanted to navigate through bills - the tablet was much easier to navigate and take to Committee Meetings – I used both – if I needed to do a spreadsheet I would use my home computer – I found that the tablet I used and wanted to use a lot.

Senator Brock: I have my own personal tablet – as far as a monitor in my office – I use the table to a high desk monitor – for some things the tablet is not catching up but being the advent of the first generation tablet – whatever you choose for a computer at any time – the old joke is when you walk out of the store it is obsolete – but we need to look at basic parameters of what we need in the system – what it provides for our communications through e-mail – what will it provide on the floor and in committees – do we need a separate computer in our office – we unlocked full capability on the tablet as much as possible – putting in cellular communication where you could take it on the road and it is very helpful – looking at what other legislatures are doing - Indiana has not only internet connections and video connections in the rooms – if we had this as in Finance Committee our constituents would know what we were doing in real time – and we also talked about the Chamber Automation Project – with the Dashboard System where members see the bills when it comes in front of us – the Dashboard was as excellent project – do we release that and have it for the public – I think it would be a good idea for the media, interested parties, lobbyists, and the public to have that information – no longer would we see the bidding frenzy when an amendment is passed out – everyone will have that information in

real time – I like that part of it people at home know what we are doing – that is why I think the Dashboard Project worked really well – the tablet can be adjusted for your particular eye site – I think the tablet allowed for presentations to go a lot smoother in Committee – the preparation time for Committee – it drastically reduced the time it took to prepare for a Committee – I think it was a worthwhile project we are looking for added input – if you know of other members who use the tablet, iPod or laptop who do not sit on the IT Committee please have their input as well – I know we mentioned about turning in your tablets today – we will have a meeting in September where we will have presentations so please keep your tablets until the next meeting.

Representative Jordan: It worked very well – I agree with all the comments – an analogy is almost like if you are reading a book – or writing a book, it is different – you can get information and respond to e-mails – but for anything more involved you have to go to the laptop – I used both in the chamber.

Senator Brock: It is better to have the information before the Committee when you can go over it.

Next Meeting September 13, 2012

Adjourned – 11:45 am

Respectfully submitted,

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Senator Andrew Brock  
Chairman

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Janet Black  
Committee Assistant